

# **Fifth Summit of the Americas, Port of Spain, Trinidad and Tobago, April 2009: Background, Expectations, and Results**

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## Summary

The fifth Summit of the Americas in Port of Spain, Trinidad and Tobago was held April 17-19, 2009. It was the first hemispheric forum for President Barack Obama to engage with leaders from across Latin America and the Caribbean. The Port of Spain Summit was also the first meeting of all 34 democratic heads of government from Latin America, the Caribbean, Canada, and the United States since the contentious 2005 Summit in Mar del Plata, Argentina. Despite some criticism of past and current U.S. policies in the region, the Summit was largely cordial and may provide the foundation for improved hemispheric relations.

There have now been five Summits of the Americas, two Special Summits of the Americas, and a number of ministerial-level summits held since 1994. Previous Summits led to a number of successful initiatives in the region, including the creation of the Inter-American Democratic Charter, reductions in the cost of remittance transfers, and increased provision of anti-retroviral therapy to victims of HIV/AIDS. Despite these accomplishments, some observers have criticized the Summits of the Americas as lacking transparency, being ineffective, or failing to advance U.S. interests.

The theme for the Port of Spain Summit was, “Securing our citizens’ future by promoting human prosperity, energy security, and environmental sustainability.” Given the confrontational nature of the previous Summit and the actions of some regional leaders prior to their arrival in Port of Spain, many observers had low expectations for the Summit. Other analysts were optimistic about the possibility of improving hemispheric relations given President Obama’s popularity in the region.

Disagreements over Cuba’s reintegration into the Inter-American System and other issues such as the global financial crisis prevented the Summit from producing a unanimous Declaration of Commitment, though a somewhat vague document was adopted as the consensus thought of the countries of the region. While the Summit Declaration introduced few concrete initiatives, President Obama offered several proposals, including an “Energy and Climate Partnership of the Americas” and a “Microfinance Growth Fund for the Western Hemisphere.” President Obama received a warm reception from the leaders of the region, leading some analysts to assert the most significant result of the Port of Spain Summit may be an improvement in U.S. relations with the rest of the hemisphere.

On March 31, 2009, the Senate approved S.Res. 90 (Kerry) expressing support for the fifth Summit of the Americas and calling on the United States to reinvigorate and strengthen its engagement with the hemisphere, especially concerning the financial crisis, energy security, and public safety. The resolution also declared that the United States was prepared to work with the rest of the region to advance an agenda of human prosperity, implement a regional energy strategy, encourage the participation of non governmental organizations in the Summit process, and strengthen the Summit follow-up mechanisms.

This report will not be updated.

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## **Background on Previous Summits of the Americas: From Miami to Mar del Plata**

By the early 1990s, after decades of civil war and military rule in parts of the hemisphere, 34 of the 35 governments in the region were elected civilian democracies. Likewise, most of the countries in the region discarded statist economic policies in favor of economic liberalization. In order to build on these values shared by the United States and Latin America as well as develop an agenda for the hemisphere's future, President Clinton organized the first modern Summit of the Americas. Held in Miami in 1994, the Summit was the first meeting of the region's leaders since 1967 and was attended by all 34 democratically elected heads of government in the region, excluding only Fidel Castro of Cuba. After much discussion, the region's leaders approved a comprehensive Plan of Action with 23 separate initiatives under four major themes: preserving and strengthening the community of democracies of the Americas, promoting prosperity through economic integration and free trade, eradicating poverty and discrimination in the hemisphere, and guaranteeing sustainable development and conserving the natural environment for future generations. One of the most important initiatives to emerge from the Miami Summit was the agreement to work towards the creation of a Free Trade Area of the Americas (FTAA), which was to be completed by January 1, 2005.<sup>1</sup>

Between the 1994 Miami Summit and the 2009 Port of Spain Summit, there were three Summits of the Americas and two Special Summits of the Americas, each introducing new initiatives and producing extensive Plans of Action. In 1996, a Special Summit on Sustainable Development was held in Santa Cruz, Bolivia, focusing on environmental issues in the hemisphere. In 1998, Santiago, Chile hosted the second Summit of the Americas. The Santiago Summit focused on education, but also marked the initiation of negotiations over the FTAA. Quebec City, Canada hosted the third Summit of the Americas in 2001. The Quebec City Summit produced a commitment to democracy, led to the creation of the Inter-American Democratic Charter, and generated a preliminary draft of the FTAA. Another Special Summit of the Americas was held in Monterrey, Mexico in 2004. The Monterrey Summit produced the Declaration of Nuevo León, which reaffirmed the region's commitment to implementing the Quebec City Plan of Action.<sup>2</sup> These Summits have been complemented by regular meetings of the ministers of defense, education, finance, justice, labor, and trade of the countries of the region. The Summit of the Americas process has been gradually institutionalized by the Organization of American States (OAS), with the third Summit designating the OAS as the Secretariat of the Summit Process.<sup>3</sup>

The fourth Summit of the Americas, which immediately preceded the Port of Spain Summit, was held in Mar del Plata, Argentina in November 2005. Although the theme of the Summit was

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<sup>1</sup> For more information on the Free Trade Area of the Americas, see CRS Report RS20864, *A Free Trade Area of the Americas: Major Policy Issues and Status of Negotiations*, by J. F. Hornbeck. For more on the Miami summit, see <http://www.summit-americas.org/miamiplan.htm#III#III>.

<sup>2</sup> For more information on the Summits of 1998, 2001, and 2004, see CRS Report 98-330, *Summit of the Americas II, April 18-19, 1998: Background, Objectives, and Expectations*, by K. Larry Storrs; CRS Report RL30936, *Summit of the Americas III, Quebec City, Canada, April 20-22, 2001: Background, Objectives, and Results*, by K. Larry Storrs and M. Angeles Villarreal; and CRS Report RS21700, *Special Summit of the Americas - Monterrey, Mexico, January 2004: Background, Objectives, and Results*, by Clare Ribando Seelke.

<sup>3</sup> Organization of American States, Summits of the Americas Secretariat, "The Summit of the Americas Process," 2008. For more information about the OAS, see CRS Report RS22095, *Organization of American States: A Primer*, by Clare Ribando Seelke.

“Creating jobs to fight poverty and strengthen democratic governance,” debate largely centered around the Bush Administration’s proposal to resume negotiations on the FTAA. President Hugo Chávez of Venezuela led the opposition to the proposal, speaking to protesters at the parallel ‘People’s Summit,’ who gathered to demonstrate—sometimes violently—against President Bush, U.S. military involvement in Iraq, and the FTAA. Brazil, Argentina, Uruguay, and Paraguay—member countries of the Common Market of the South (Mercosur)—also opposed the resumption of talks on the FTAA.<sup>4</sup> The Mercosur countries opposed the continuation of U.S. agricultural subsidies and argued that talks should not resume until after conclusion of the World Trade Organization’s (WTO) Doha Development Round, when there may be a greater possibility of achieving what they would consider a balanced and equitable agreement. Despite consensus among 29 of the 34 heads of state and government that trade talks should resume, the economic weight of the dissenting countries effectively killed the FTAA.<sup>5</sup>

## **Achievements of the Summits of the Americas**

According to some observers, one of the greatest political accomplishments of the Summit process has been the Inter-American Democratic Charter. In the Declaration of Quebec City, the leaders of the Americas committed to a democracy clause, which led to the creation of the Inter-American Democratic Charter in September 2001. The Charter affirms the peoples of the Americas’ universal right to democracy and asserts that the governments of the region have an obligation to promote and defend democracy. Although it has produced somewhat mixed results, the Inter-American Democratic Charter has been invoked on several occasions following challenges to democratic institutions in the region, such as the attempted coup against President Hugo Chávez of Venezuela in 2002 and the removal of President Lucio Gutiérrez from office by Ecuador’s Congress in 2005.<sup>6</sup>

The Summits have also led to several important economic initiatives in the hemisphere. In the Declaration of Nuevo León, the leaders of the hemisphere committed to reducing the average cost of remittance transfers by at least 50% by 2008. Between 2000 and 2006, transaction costs to send remittances were reduced from 15% to 5.6%, allowing \$5 billion more to reach recipient families.<sup>7</sup> The United States has played a large role in reducing the transaction costs of remittances by encouraging competition, eliminating some regulations, and promoting the use of new technology. The cost of sending remittances through some corridors between the United States and Mexico has fallen by 50% and the United States has begun to partner with other countries like Guatemala in hopes of achieving similar cost reductions.<sup>8</sup>

In addition to political and economic initiatives, the Summits of the Americas have prompted some successful social programs. The Declaration of Nuevo León set the goal of providing anti-

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<sup>4</sup> For more information on Mercosur, see CRS Report RL33620, *Mercosur: Evolution and Implications for U.S. Trade Policy*, by J. F. Hornbeck.

<sup>5</sup> “Americas Summit Ends in Polite Dissent Over Resumption of FTAA Talks,” *Latin News Weekly Report*, November 8, 2005; *Declaration of Mar Del Plata*, IV Summit of the Americas, November 5, 2005.

<sup>6</sup> Barry S. Levitt, “A Desultory Defense of Democracy: OAS Resolution 1080 and the Inter-American Democratic Charter,” *Latin American Politics and Society*, Volume 48 (3), 2006; Craig Arceneaux & David Pion-Berlin, “Issues, Threats, and institutions: Explaining OAS Responses to Democratic Dilemmas in Latin America,” *Latin American Politics and Society*, Volume 49 (2), 2007.

<sup>7</sup> Summits of the Americas Secretariat, “National Report of the United States of America on the Implementation of Commitments from the Fourth Summit of the Americas,” 2007.

<sup>8</sup> Summits of the Americas Secretariat, “Achievements of the Summits of the Americas: National Accomplishments,” 2004.

retroviral therapy to 600,000 people living with HIV/AIDS in the hemisphere by 2005. As a result of funding from a variety of multilateral, bilateral, and domestic initiatives, over 640,000 people in the region were receiving treatment by the time of the 2005 Mar del Plata Summit, exceeding the Nuevo León goal. These initiatives included the President's Emergency Plan for AIDS Relief (PEPFAR) and the Global Fund to Fight HIV/AIDS, Tuberculosis, and Malaria.<sup>9</sup> Additionally, the U.S. government helped over 400,000 people in the region get tested for HIV and spent over \$552 million on HIV/AIDS programs in the hemisphere between 2001 and 2007. This represented a substantial increase in funding, rising from just \$22 million in 2001 to over \$153 million in 2007.<sup>10</sup>

## Criticism of the Summits of the Americas

### Transparency

The Summits of the Americas process has drawn criticism throughout its brief history. Civil society and anti-globalization organizations contend that the Summits lack openness and transparency. These groups argue that important discussions that affect the welfare of all people in the region should not be held behind closed doors and that the Summits should be open to civil society representatives. The exclusivity of the Summits and the large role that negotiations over the FTAA have played at each of the Summits have led some civil society groups to assert that the Summits promote the expansion of corporate power while ignoring social welfare, environmental protection, and citizens' rights.<sup>11</sup> Although the countries of the region agreed in the Declaration of Quebec City that the Summits must be open, transparent, and include civil society, many civil society groups contend that little has been done to increase their participation.<sup>12</sup>

### Effectiveness

A number of observers have also criticized the Summits of the Americas for producing overly-ambitious documents that repeatedly mandate new initiatives while largely ignoring the status of implementation of previous Summit commitments. Since the first Summit of the Americas, over 600 initiatives have been introduced.<sup>13</sup> Many of these mandates provide no criteria for measuring their implementation. Likewise, there are few mechanisms to enforce implementation of those initiatives that are measurable. Furthermore, many countries lack the organizational capacity, political will, or financial resources to implement the Summits' mandates. As a result, most Summit commitments have never been met.<sup>14</sup> The failure of many countries to implement the Summits' mandates has cast doubt upon the effectiveness of the Summit process and called into

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<sup>9</sup> Ibid; For more information on the President's Emergency Plan for AIDS Relief, see CRS Report RL34192, *PEPFAR: Policy Issues from FY2004 through FY2008*, by Tiaji Salaam-Blyther.

<sup>10</sup> Summits of the Americas Secretariat, "National Report of the United States of America on the Implementation of Commitments from the Fourth Summit of the Americas," 2007.

<sup>11</sup> "Trade Summit Spurs Peaceful Protest," *Washington Times*, April 21, 2001; "Counter-Summit to Summit of the Americas Showcases Opposition to U.S., Neoliberal Economics," *Latin America Data Base NotiSur*, December 2, 2005; "Caribbean Sub-Regional Civil Society Forum Underscores OAS Emphasis on Inclusion, Ahead of Summit of the Americas," *US Fed News*, November 3, 2008.

<sup>12</sup> Peter Richards, "Politics: Civil Society Groups Demand Voice at Americas Summit," *Inter Press Service*, November 5, 2008.

<sup>13</sup> Ibid; Racquel Smith, "Summit Reform and Civil Society: Taking a Deeper Look," *FOCAL Point*, August 2008.

<sup>14</sup> Richard E. Feinberg, *Summitry in the Americas: A Progress Report*, Institute for International Economics, April 1997; Juan Cruz Diaz, "The 2009 Summit of the Americas: A New Opportunity," *Council of the Americas*, July 22, 2008.

question the credibility of the Summits of the Americas as an mechanism for achieving tangible results in the hemisphere.

### **Ability to Further U.S. Interests**

Some analysts, acknowledging the divergence of economic values among countries of the region, have begun to question whether the Summit of the Americas process is worth continuing. Whereas the Summit process was initiated in a spirit of cooperation by like-minded leaders in Miami in 1994, the hemisphere is now more divided than at any time since the Cold War. The dismissal of the Bush Administration's proposal to resume talks on the FTAA at the Mar del Plata Summit was a clear manifestation of the increasing number of leaders and countries in the region that reject neoliberal economic policies. Indeed, the most recent Latinobarómetro survey found that while 56% of Latin Americans agree that a market economy is the only path to development, only 32% are satisfied with services that have been privatized and majorities in every Latin American nation think their countries should rely more on state solutions than market solutions to resolve societal problems.<sup>15</sup> Given these economic divisions and the movement of the Summit agenda away from the FTAA and toward state-based development programs, some analysts believe the interests of the United States would be better served by focusing instead on finalizing bilateral and multilateral agreements with those countries that still share the U.S. commitment to free trade.<sup>16</sup>

## **2009 Port of Spain Summit**

The fifth Summit of the Americas was held April 17-19, 2009 in Port of Spain, Trinidad and Tobago. All 34 democratically elected leaders of the hemisphere attended the Summit, many for the first time, including President Obama and Presidents Fernández de Kirchner of Argentina, Morales of Bolivia, Bachelet of Chile, Arias of Costa Rica, Correa of Ecuador, Colom of Guatemala, Zelaya of Honduras, Calderón of Mexico, Ortega of Nicaragua, Lugo of Paraguay, and García of Peru. Although Raúl Castro officially succeeded his brother Fidel as President of Cuba in February 2008, the country's communist government was once again the only country in the region not invited to attend the Summit, which is limited to democratic nations. The theme of the Port of Spain Summit was, "Securing our citizens' future by promoting human prosperity, energy security, and environmental sustainability."

### **Expectations**

The Port of Spain Summit came at a difficult time in hemispheric relations. As previously noted, the 2005 Mar del Plata Summit was marred by protestors and was frequently confrontational. In the years following the Summit, the United States had become even more isolated from the rest of the region. By 2008, only 58% of Latin Americans had favorable opinions of the United States, Venezuela and Bolivia had expelled U.S. Ambassadors, and regional bodies that exclude the United States—such as the Rio Group and the Union of South American Nations (UNASUR)—had begun exerting greater leadership in the region while the United States and the regional body to which it belongs—the OAS—had lost influence.<sup>17</sup>

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<sup>15</sup> Corporación Latinobarómetro, *Informe 2008*, 2008.

<sup>16</sup> James M. Roberts, "Rethinking the Summit of the Americas and Advancing Free Trade in Latin America," *The Heritage Foundation*, August 8, 2008.

<sup>17</sup> Corporación Latinobarómetro, *Informe 2008*; "Latin America Goes It Alone as Bolivian Conflict Explodes," *Latin*



This divisiveness continued in the lead up to the Summit, as some regional leaders voiced their policy disagreements with the United States and their intentions to confront President Obama at the Summit. President Hugo Chávez of Venezuela stated that he would attend the Summit in order to “defend the integration of the Caribbean and Latin America and demand that the empire Obama leads lift its blockade of Cuba, abide by UN resolutions, and condemn Israel.”<sup>18</sup> President Chávez also hosted a meeting of the countries involved in his Bolivarian Alternative for the Americas (ALBA)—a socially oriented trade block—the day prior to the Summit and announced that the ALBA countries would not sign the Summit’s Declaration of Commitment, which had been negotiated by all 34 countries over the preceding six months.<sup>19</sup> Likewise, a number of heads of state and government from the region—including some traditional allies—vocally blamed the United States for the global financial crisis and called for a new U.S. policy toward Cuba.<sup>20</sup> Given these divisions, many observers had low expectations for the Summit and cautioned that President Obama needed to be careful not to let it turn into a political circus.<sup>21</sup>

Despite these challenges, a number of analysts were optimistic about the Summit. Some were encouraged by the scope and depth of the Port of Spain Draft Declaration of Commitment,<sup>22</sup> which addressed past criticisms by identifying a number of specific, measurable, and attainable targets for proposed initiatives as well as institutions to assist in their implementation. Likewise, the Draft Declaration was built around issues where there was thought to be consensus in the hemisphere. Other observers asserted that President Obama’s attendance at the Summit alone would help reverse the negative views of the United States that have grown over the last several years as a result of his wide popularity throughout Latin America.<sup>23</sup> Several Latin American leaders had expressed hope for improved relations with the United States following President Obama’s election, leading some analysts to believe that President Obama would have an opportunity to strike a new tone in U.S. relations with the region.<sup>24</sup>

## Results

### Declaration of Commitment of Port of Spain

In July 2008, the Summit Implementation Review Group (SIRG, a planning and review committee with representation from all nations participating in the Summit) issued a “Draft Declaration of Commitment” for the Port of Spain Summit. The Draft Declaration combined the traditional Summit Declaration and Plan of Action into a single document and proposed 65

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*News Weekly Report*, September 18, 2008.

<sup>18</sup> “‘Couldn’t care less’ about meeting Obama: Chavez,” *Agence France Presse*, February 27, 2009.

<sup>19</sup> Christopher Toothaker, “Venezuela opposes Americas Summit declaration,” *Miami Herald*, April 16, 2009.

<sup>20</sup> “Brazil: Lula blames rich nations for global problems,” *Latin American Weekly Report*, April 2, 2009; “Obama’s first regional summit sees Cuba on the agenda,” *Latin American Security & Strategic Review*, March 2009.

<sup>21</sup> Lesley Clark, Jacqueline Charles, and Frances Robles, “Latin test awaits Obama at summit,” *Miami Herald*, April 5, 2009; “Advierte ex embajador sobre ‘diplomacia-espectáculo de Chávez,” *Agencia Mexicana de Noticias*, April 10, 2009.

<sup>22</sup> Richard Feinberg, “Making the Fifth Summit the Finest So Far,” *FOCAL Point*, July-August 2008.

<sup>23</sup> A poll released prior to the Summit declared President Obama to be the most popular leader in the hemisphere with an approval rating of 70% in the region; Andres Oppenheimer, “Obama most popular leader of the Americas,” *Miami Herald*, April 18, 2009; Peter Hakim, “No Surprise: the Spotlight Will Be On Obama in Trinidad and Tobago,” *Infolatam*, March 3, 2009.

<sup>24</sup> Jack Chang, “Obama win brings high hopes to the hemisphere,” *Miami Herald*, November 6, 2008; “Mensaje conciliador de Taiana en EE.UU,” *La Nacion* (Argentina), April 7, 2009.



commitments under six themes. Negotiations over the document's text continued through the Port of Spain Summit. The final Declaration expanded to 96 commitments, adopted more ambiguous language, and considerably reduced the number of measurable mandates. While the Draft declaration had won praise from some analysts for its relative brevity and focus on implementation,<sup>25</sup> a number of observers characterized the final Declaration as largely meaningless.<sup>26</sup> Although the changes made to the document were done in hopes of achieving consensus, some countries remained unwilling to sign the Declaration, asserting that it did not sufficiently address issues such as the international financial crisis and the reintegration of Cuba into the Inter-American system. As a result, the 34 heads of state and government attending the Summit agreed to a compromise that resulted in Prime Minister Patrick Manning of Trinidad and Tobago, the Summit Chairman, signing the Declaration on behalf of all participating countries.<sup>27</sup>

### ***Promoting Human Prosperity***

According to the Declaration, countries reaffirm their support for a number of past commitments regarding human prosperity, such as halving extreme poverty by 2015, eradicating the worst forms of child labor by 2020, and eliminating forced labor before 2010. Among the new national commitments are goals to reduce business start-up times to a maximum of 30 days by 2015, incorporate the surveillance of non-communicable diseases and their risk factors into existing national health information reporting systems by 2015, and reduce the incidence of mother-to-child transmission of HIV to less than 5% by 2015. Additionally, the countries of the region commit to achieving universal primary education by 2015, increasing secondary education enrollment to 75% by 2010, and increasing enrollment in tertiary education to at least 40% by 2020.

### ***Promoting Energy Security***

The energy security section of the Declaration sets no specific goals for the countries of the Americas, though it does proclaim a number of general commitments. Among other provisions of the Declaration, the countries of the hemisphere aim to develop cleaner, more affordable, and sustainable energy systems. They also support the exchange of information, technologies, and best practices and welcome individual efforts of countries to manage their extractive sectors in ways that contribute to economic and social development and environmental stewardship.

### ***Promoting Environmental Sustainability***

Much like the energy security section, the environmental sustainability section of the Declaration presents a wide variety of commitments, but offers very little in terms of measurable initiatives. Countries of the hemisphere commit to ensuring the eventual stabilization of greenhouse gas concentrations in the atmosphere at a level that will not seriously affect Earth's climate systems and working toward a global agreement on Climate Change at the United Nations Framework Conventions on Climate Change (UNFCCC) meeting in Copenhagen, Denmark in November and December of 2009. The Declaration also encourages countries to undertake a number of actions,

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<sup>25</sup> Richard Feinberg, "Making the Fifth Summit the Finest So Far," *FOCAL Point*, July-August 2008.

<sup>26</sup> Andres Oppenheimer, "Obama shines, results lag at regional summit," *Miami Herald*, April 19, 2009; "Desilusiona a prensa sudamericana texto de Cumbre de las Américas," *Agencia Mexicana de Noticias*, April 20, 2009.

<sup>27</sup> Although the declarations and plans of action of the first and second Summits of the Americas were signed by each attending leader, the documents of the third and fourth Summits of the Americas were adopted without being signed. Thus, while Summit organizers intended to have each leader sign the Declaration of Commitment of Port of Spain, it was not the first time that a Summit document was produced without being signed by each leader; Ria Taitt, "Well Worth It: PM Manning defends big spending as summit comes to close," *Trinidad & Tobago Express*, April 20, 2009.

such as strengthening their domestic environmental planning and improving their capacity to prepare, prevent, reduce, and respond to natural disasters.

### ***Strengthening Public Security***

In terms of public security, governments of the region commit to cooperate with one another to combat terrorist and criminal organizations, prevent them from operating across borders, and deny them resources. The Declaration also reaffirms the hemisphere's support for the Inter-American Convention against the Illicit Manufacturing of and Trafficking in Firearms, Ammunition, Explosives and other Related Materials (CIFTA) and encourages the OAS to prepare a comprehensive hemispheric strategy to deal with criminal gangs.

### ***Strengthening Democratic Governance***

The nations of the Americas reaffirm their commitments to a variety of regional democratic initiatives in the Declaration, such as the Inter-American Democratic Charter and the Inter-American Conventional Against Corruption. The hemisphere also commits to conclude negotiations on a number of initiatives, such as the American Declaration on the Rights of Indigenous Peoples, the Inter-American Convention against Racism and All Forms of Discrimination and Intolerance, and the proposed Social Charter of the Americas and its Plan of Action. Additionally, the Declaration affirms the importance of decentralization, public transparency, and human rights.

### ***Strengthening the Summit Process and Implementation***

In order to improve the effectiveness of the Summit of the Americas and ensure that the commitments made at the Summit are met, the Declaration adopts a number of reforms to the Summit process. Countries agree to hold the Summits of the Americas on a regular basis, at least every three years. They also direct the General Secretariat of the OAS and the Joint Summit Working Group to provide an annual comprehensive report to the SIRG regarding progress made toward Summit objectives. Furthermore, the Declaration encourages countries to increase the participation of civil society and business groups in the Summit process.

## **U.S. Initiatives**

### ***Energy and Climate Partnership of the Americas***

During his speech at the Summit, President Obama proposed an "Energy and Climate Partnership of the Americas." The proposal seeks to increase regional cooperation to promote energy efficiency, invest in renewable energy sources, and reduce greenhouse gas emissions. Although it was initially conceived during the 2008 U.S. electoral campaign as a hemispheric arrangement, the Obama Administration has reframed the partnership as a flexible framework in which individual countries will be encouraged to suggest tangible ideas for cooperation with the United States on particular energy issues of interest to them.<sup>28</sup> The energy partnership also coincides with a number of goals of the Declaration of Commitment of Port of Spain and several of the

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<sup>28</sup> White House, Office of the Press Secretary, "The United States and the 2009 Summit of the Americas: Securing Our Citizens' Future," April 19, 2009.

proposals in S. 587 (Lugar), the Western Hemisphere Energy Compact, which was introduced in March 2009.<sup>29</sup>

### ***Microfinance Growth Fund for the Western Hemisphere***

As part of his commitment to combating inequality and creating prosperity from the bottom up, President Obama introduced a \$100 million “Microfinance Growth Fund for the Western Hemisphere” at the Summit. While there are already many microfinance institutions (MFIs) in the region, the international financial crisis has seriously constrained their abilities to obtain sufficient private finance to meet the lending demands of micro and small businesses. These finance constraints are occurring at the same time that micro and small enterprises have become the sole sources of income of many newly unemployed people throughout the region. As a result, regional MFIs could face up to a \$750 million shortfall this year. In order to help rebuild the lending capacities of regional MFIs, the Microfinance Growth Fund will provide them with stable medium and longer-term finance. The fund is a partnership of the Multilateral Investment Fund (MIF) at the Inter-American Development Bank (IDB), the U.S. Overseas Private Investment Corporation (OPIC), and the Inter-American Investment Corporation (IIC). The fund partners hope to provide \$100 million<sup>30</sup> in initial capital and raise a total of \$250 million through public-private partnerships.<sup>31</sup>

### ***Caribbean Security Cooperation***

In order to address growing security threats in the region, President Obama announced a \$30 million initiative to strengthen cooperation between the United States and the countries of the Caribbean. As part of the initiative, the United States will work with the countries of the Caribbean Community and the Dominican Republic to develop a joint security strategy that addresses the shared concerns of transnational crime, illicit trafficking, and maritime and aviation security. President Obama also pledged to take aggressive action to reduce the U.S. demand for drugs and stop the flow of guns and bulk cash from the United States to the rest of the region. Accordingly, the President declared ratifying CIFTA a priority.<sup>32</sup>

### ***Hemispheric Relations***

A number of analysts think that the most significant result of the Port of Spain Summit of the Americas may be an improvement in U.S. relations with the rest of the hemisphere.<sup>33</sup> Despite speeches from some leaders that criticized past and current U.S. policies in the region and a few other confrontational incidents, the Summit was largely free of the contentious climate that

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<sup>29</sup> Senator Lugar had introduced a similar measure in the 110<sup>th</sup> Congress, S. 1007, reported out of the Senate Foreign Relations Committee on September 23, 2008.

<sup>30</sup> The initial capital for the fund will come from debt and equity financing of \$100 million and is subject to each partner’s board approval. \$20 million will be equity leveraged by \$80 million in senior debt from OPIC and IIC.

<sup>31</sup> White House, Office of the Press Secretary, “New \$100 Million Microfinance Growth Fund for the Western Hemisphere,” April 18, 2009; For more information on microenterprise, see CRS Report RL30932, *Microenterprise and U.S. Foreign Assistance*, by Curt Tarnoff.

<sup>32</sup> White House, Office of the Press Secretary, “Remarks by the President at the Summit of the Americas Opening Ceremony,” April 17, 2009; White House, Office of the Press Secretary, “The United States and the 2009 Summit of the Americas: Securing Our Citizens’ Future,” April 19, 2009.

<sup>33</sup> Peter Hakim, “After the Summit,” *Infolatam*, April 20, 2009; “Summit of the Americas produces success without consensus,” *Latin American Weekly Report*, April 23, 2009; “Latin America/US: Atmospherics dominate cordial Summit,” *Oxford Analytica*, April 27, 2009.

characterized the previous Summit in Mar del Plata, Argentina. During his Summit speech, President Obama pledged to “seek an equal partnership” with the countries of the region, “based on mutual respect.”<sup>34</sup> He also met and listened to the concerns of the leaders of the countries of UNASUR, the Central American Integration System (SICA), and the Caribbean Community (CARICOM) during three side meetings and made a point of engaging leaders—such as President Chávez of Venezuela—who had poor relationships with the previous U.S. administration. Although some critics asserted that President Obama failed to advance U.S. ideals as a result of his unwillingness to confront leaders like President Chávez,<sup>35</sup> the President’s actions were very well received by observers throughout Latin America.<sup>36</sup> Indeed, leaders from a variety of countries and ideological backgrounds praised President Obama and declared the Summit a success and the beginning of a new era in hemispheric relations.<sup>37</sup> While some concrete steps—such as President Chávez’s naming of a new ambassador to the United States—have been taken to build on the good will generated by the Summit, most analysts caution that significant policy differences remain and continued engagement will be crucial to sustaining stronger hemispheric relations.<sup>38</sup>

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<sup>34</sup> White House, Office of the Press Secretary, “Remarks by the President at the Summit of the Americas Opening Ceremony,” April 17, 2009.

<sup>35</sup> Mary Anastasia O’Grady, “Americas Summit: Missed Opportunity,” *Wall Street Journal*, April 20, 2009.

<sup>36</sup> “Valora Sudamérica ‘alianza de iguales’ propuesta por Obama,” *Agencia Mexicana de Noticias*, April 18, 2009; “Valora prensa centroamericana diálogo de EU con la región,” *Agencia Mexicana de Noticias*, April 20, 2009.

<sup>37</sup> “Aporta Cumbre confianza entre EU y América Latina, dice Rafael Correa,” *Agencia Mexicana de Noticias*, April 19, 2009; “Considera Uribe Vélez ‘positiva’ V Cumbre de las Américas,” *Agencia Mexicana de Noticias*; “Afirma Argentina que Cumbre de Américas ‘marcó camino de cooperación,’” *Agencia Mexicana de Noticias*, April 20, 2009; “Afirma Chile que Cumbre ‘abrió nuevo clima’ entre EU y Latinoamérica,” *Agencia Mexicana de Noticias*, April 21, 2009.

<sup>38</sup> Lesley Clark & Frances Robles, “Summit may lead to a new tolerance; Everyone is waiting to see what the next diplomatic moves will be among the U.S., Cuba and Venezuela,” *Miami Herald*, April 21, 2009; Guido Nejamkis, “Cumbre Analisis-Retos Obama persisten tras mejora lazo A.Latina,” *Reuters*, April 19, 2009.

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